

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

TIFFANY FAHRNI, et al.,

Plaintiffs,

v.

COUNTY OF TULARE, et al.,

Defendants.

Case No. 1:23-cv-01265-KES-SAB

ORDER RE JOINT STATUS REPORT

(ECF No. 51)

Plaintiffs filed this action on August 23, 2023. (ECF No. 1) The operative first amended complaint asserts claims against Defendants: (1) County of Tulare; (2) Precision Psychiatric Services, Inc.; (3) Anthony Ceja; (4) Sureshbabu Kurra; (5) Adolfo Gallardo, Jr.; (6) Salvador Santillan; (7) Anyval Suarez; (8) Wellpath, LLC (“Wellpath”); and (9) Alla Liberstein, MD. (ECF No. 29.) The initial scheduling conference was held on December 5, 2023. (ECF No. 24.) Neither the pretrial conference nor trial have been set in this matter.

On November 15, 2024, Defendant Wellpath filed a suggestion of bankruptcy and notice of stay indicating that on November 11, 2024, Wellpath filed for bankruptcy in the United States Bankruptcy Court for the Southern District of Texas (Houston Division) for relief under chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”). (ECF No. 46.) The bankruptcy case is pending under case number 24-90563-(ARP).

On November 18, 2024, the Court tentatively ordered a stay of this action against Wellpath only, pursuant to 11 U.S.C. § 362(a), and that the action proceed against the other

seventeen defendants. (ECF No. 47.) The Court ordered that the parties not subject to the automatic stay either request a status conference or file a status report indicating whether this action should proceed in some manner against any of the named Defendants, if this matter should be stayed in its entirety, or whether a settlement conference should be set.

On November 25, 2024, Defendants Wellpath and Alla Liberstein, MD filed an amended notice of stay and provided an Amended Interim Order Enforcing the Automatic Stay ordered by the Bankruptcy Judge presiding over the Bankruptcy proceeding in United States Bankruptcy Court for the Southern District of Texas. (ECF No. 50.) Therein, the Bankruptcy Judge ordered that Wellpath and “non-debtor” Wellpath defendants, such as Alla Liberstein, MD, are also subject to the stay. (ECF No. 50-2.)

On December 3, 2024, Plaintiffs and Defendants County of Tulare; Precision Psychiatric Services, Inc.; Anthony Ceja; Sureshababu Kurra; Adolfo Gallardo, Jr.; Salvador Santillan; and Anyval Suarez (“Non-Bankruptcy Parties”) filed a joint status report. (ECF No. 51.) Plaintiffs represent that they have retained bankruptcy counsel, which filed an opposition to any Final Interim Order’s application to individual non-debtor Wellpath defendants like Dr. Liberstein. The Non-Bankruptcy Parties agree that until the Final Order regarding the stay is entered in the bankruptcy action, they will continue to litigate this action with respect to all parties except for Wellpath, LLC and Dr. Liberstein. The Non-Bankruptcy Parties do not believe that this action is yet ripe for a settlement conference.

IT IS HEREBY ORDERED that within **fifteen (15) days** of the entry of the Final Order in the bankruptcy action, Plaintiffs shall notify the Court whether this action may proceed against Defendant Alla Liberstein M.D.

IT IS SO ORDERED.

Dated: **December 9, 2024**



STANLEY A. BOONE
United States Magistrate Judge